

APPLICATION FOR FINANCIAL ASSISTANCE
Revised 05/2008

IMPORTANT: Please consult the "Instructions for Completing the Project Application" for assistance in completion of this form.

SUBDIVISION: CITY OF SILVERTON CODE# 061- 72522

DISTRICT NUMBER: 2 COUNTY: Hamilton DATE 09 / 12 / 08

CONTACT: MARK WENDLING PHONE # (513) 936 - 6240 (THE PROJECT CONTACT PERSON SHOULD BE THE INDIVIDUAL WHO WILL BE AVAILABLE ON A DAY-TO-DAY BASIS DURING THE APPLICATION REVIEW AND SELECTION PROCESS AND WHO CAN BEST ANSWER OR COORDINATE THE RESPONSE TO QUESTIONS)

FAX (513) 936-6247 E-MAIL M.wendling@cityofsilverton.com

PROJECT NAME: EAST AVENUE IMPROVEMENTS

SUBDIVISION TYPE

(Check Only 1)

- ☐ 1. County
☒ 2. City
☐ 3. Township
☐ 4. Village
☐ 5. Water/Sanitary District
(Section 6119 or 6117 O.R.C.)

FUNDING TYPE REQUESTED

(Check All Requested & Enter Amount)

- ☒ 1. Grant \$109,200
☒ 2. Loan \$156,000.00 *FDC*
☐ 3. Loan Assistance \$

PROJECT TYPE

(Check Largest Component)

- ☒ 1. Road
☐ 2. Bridge/Culvert
☐ 3. Water Supply
☐ 4. Wastewater
☐ 5. Solid Waste
☐ 6. Stormwater

TOTAL PROJECT COST: \$ 156,000.00

FUNDING REQUESTED: \$ 109,200.00 *156,000 FDC*

DISTRICT RECOMMENDATION
To be completed by the District Committee ONLY

GRANT: \$

LOAN ASSISTANCE: \$

SCIP LOAN: \$

RATE: %

TERM: yrs.

RLP LOAN: \$ 156,000

RATE: 0 %

TERM: 25 yrs. 25

(Check Only 1)

☒ State Capital Improvement Program

☐ Small Government Program

☐ Local Transportation Improvements Program

OFFICE OF NEW BURLINGTON
COUNTY ENGINEER
2008 SEP 19 PM 3:11

FOR OPWC USE ONLY

PROJECT NUMBER: C /C

Local Participation %

OPWC Participation %

Project Release Date: / /

OPWC Approval:

APPROVED FUNDING: \$

Loan Interest Rate: %

Loan Term: years

Maturity Date:

Date Approved: / /

SCIP Loan RLP Loan

1.0 PROJECT FINANCIAL INFORMATION

**1.1 PROJECT ESTIMATED COSTS:
ACCOUNT
(Round to Nearest Dollar)**

FORCE

DOLLARS

TOTAL DOLLARS

a.) Basic Engineering Services:

\$.00 \$.00

Preliminary Design \$.00

Final Design \$.00

Bidding \$.00

Construction Phase \$.00

Additional Engineering Services

\$.00 \$.00

***Identify services and costs below.**

b.) Acquisition Expenses:

Land and/or Right-of-Way

\$.00 \$.00

c.) Construction Costs:

\$ 142,000.00 \$.00

d.) Equipment Purchased Directly:

\$.00

e.) Permits, Advertising, Legal:

**(Or Interest Costs for Loan Assistance
Applications Only)**

\$.00

f.) Construction Contingencies:

\$ 14,000.00

g.) TOTAL ESTIMATED COSTS:

\$ 156,000.00

***List Additional Engineering Services here:**

Service:

Cost:

1.2 PROJECT FINANCIAL RESOURCES:

(Round to Nearest Dollar and Percent)

	DOLLARS	%
a.) Local In-Kind Contributions	\$ <u>.00</u>	<u> </u>
b.) Local Revenues	\$ <u>46,800.00 0</u>	<u>30% 0 JDC</u>
c.) Other Public Revenues	\$ <u>.00</u>	<u> </u>
ODOT	\$ <u>.00</u>	<u> </u>
Rural Development	\$ <u>.00</u>	<u> </u>
OEPA	\$ <u>.00</u>	<u> </u>
OWDA	\$ <u>.00</u>	<u> </u>
CDBG	\$ <u>.00</u>	<u> </u>
OTHER	\$ <u>.00</u>	<u> </u>
SUBTOTAL LOCAL RESOURCES:	\$ <u>46,800.00 0</u>	<u>30% 0 JDC</u>
d.) OPWC Funds		
1. Grant	\$ <u>109,200.00</u>	<u>70% JDC</u>
2. Loan	\$ <u>156,000.00</u>	<u>100% JDC</u>
3. Loan Assistance	\$ <u>.00</u>	<u> </u>
SUBTOTAL OPWC RESOURCES:	\$ <u>156,000</u> <u>109,200.00</u>	<u>100% JDC</u> <u>70%</u>
e.) TOTAL FINANCIAL RESOURCES:	\$ <u>156,000.00</u>	<u>100%</u>

1.3 AVAILABILITY OF LOCAL FUNDS:

Attach a statement signed by the Chief Financial Officer listed in section 5.2 certifying all local share funds required for the project will be available on or before the earliest date listed in the Project Schedule section.

ODOT PID# _____ Sale Date: _____
 STATUS: (Check one)
 _____ Traditional
 _____ Local Planning Agency (LPA)
 _____ State Infrastructure Bank

2.0 PROJECT INFORMATION

If project is multi-jurisdictional, information must be consolidated in this section.

2.1 PROJECT NAME: EAST AVENUE IMPROVEMENTS

2.2 BRIEF PROJECT DESCRIPTION - (Sections A through C):

A: SPECIFIC LOCATION:

East Avenue in its entirety, from Sibley Avenue on the North, to South Avenue on the South. There is an agreement in principle to construct a new elementary school adjacent to this project off Montgomery Road. The main access to the school is to be located off Montgomery Road, but this location will likely create a large amount of students walking to school on East Avenue.

PROJECT ZIP CODE: 45236

B: PROJECT COMPONENTS:

Substantial base repair; re-profiling north section and addition of curb to address drainage issues; replace sidewalk and construct accessible curb ramps; replace concrete drive aprons and entrance walks; full width pavement planning; place stress absorbing membrane interlayer (SAMI), and 1.5" asphalt concrete surface.

C: PHYSICAL DIMENSIONS / CHARACTERISTICS:

Existing East Avenue is approximately 18' wide, with no curb, no ditches, and no drainage structures.

D: DESIGN SERVICE CAPACITY:

Detail current service capacity vs. proposed service level.

Road or Bridge: Current ADT 254 Year: 2008 Projected ADT: 254 Year: 2018

Water/Wastewater: Based on monthly usage of 7,756 gallons per household, attach current rate ordinance. Current Residential Rate: \$ Proposed Rate: \$

Stormwater: Number of households served:

2.3 USEFUL LIFE / COST ESTIMATE: Project Useful Life: 25 Years.

Attach Registered Professional Engineer's statement, with original seal and signature confirming the project's useful life indicated above and estimated cost.

3.0 REPAIR/REPLACEMENT or NEW/EXPANSION:

TOTAL PORTION OF PROJECT REPAIR/REPLACEMENT \$ 156,000.00

TOTAL PORTION OF PROJECT NEW/EXPANSION \$.00

4.0 PROJECT SCHEDULE: *

	BEGIN DATE	END DATE
4.1 Engineering/Design:	<u>02/02/09</u>	<u>06/12/09</u>
4.2 Bid Advertisement:	<u>06/24/09</u>	<u>07/08/09</u>
4.3 Construction:	<u>07/27/09</u>	<u>12/09</u>
4.4 Right-of-Way/Land Acquisition:	<u>N/A</u>	<u>N/A</u>

* Failure to meet project schedule may result in termination of agreement for approved projects. Modification of dates must be requested in writing by the CEO of record and approved by the commission once the Project Agreement has been executed. The project schedule should be planned around receiving a Project Agreement on or about July 1st.

5.0 PROJECT OFFICIALS:

5.1 CHIEF EXECUTIVE

OFFICER Mr. Mark Wendling
TITLE City Manager
STREET City of Silverton
6860 Plainfield Road
CITY/ZIP City of Silverton, Ohio 45236
PHONE (513) 936-6240
FAX (513) 936-6247
E-MAIL M.wendling@cityofsilverton.com

5.2 CHIEF FINANCIAL

OFFICER Mr. Thomas R. Peterson
TITLE Finance Director
STREET City of Silverton
6860 Plainfield Road
CITY/ZIP City of Silverton, Ohio 45236
PHONE (513) 936-6240
FAX (513) 936-6247
E-MAIL tpeterson@cityofsilverton.com

5.3 PROJECT MANAGER

TITLE Mr. John L. Eisenmann, P.E., P.S.
STREET City Engineer
CDS Associates, Inc.
11120 Kenwood Road
CITY/ZIP Cincinnati, Ohio 45242
PHONE (513) 791-1700
FAX (513) 791-1936
E-MAIL jeisenmann@cds-assoc.com

Changes in Project Officials must be submitted in writing from the CEO.

6.0 ATTACHMENTS/COMPLETENESS REVIEW:

Confirm in the blocks [] below that each item listed is attached.

- [x] A certified copy of the legislation by the governing body of the applicant authorizing a designated official to sign and submit this application and execute contracts. This individual should sign under 7.0, Applicant Certification, below.
- [x] A certification signed by the applicant's chief financial officer stating all local share funds required for the project will be available on or before the dates listed in the Project Schedule section. If the application involves a request for loan (RLP or SCIP), a certification signed by the CFO, which identifies a specific revenue source for repaying the loan also, must be attached. Both certifications can be accomplished in the same letter.
- [x] A registered professional engineer's detailed cost estimate and useful life statement, as required in 164-1-13, 164-1-14, and 164-1-16 of the Ohio Administrative Code. Estimates shall contain an engineer's original seal or stamp and signature.
- [N/A] A cooperation agreement (if the project involves more than one subdivision or district) which identifies the fiscal and administrative responsibilities of each participant.
- [N/A] Projects which include new and expansion components and potentially affect productive farmland should include a statement evaluating the potential impact. If there is a potential impact, the Governor's Executive Order 98-VII and the OPWC Farmland Preservation Review Advisory apply.
- [x] Capital Improvements Report: (Required by O.R.C. Chapter 164.06 on standard form)
- [x] Supporting Documentation: Materials such as additional project description, photographs, economic impact (temporary and/or full time jobs likely to be created as a result of the project), accident reports, impact on school zones, and other information to assist your district committee in ranking your project. Be sure to include supplements, which may be required by your *local* District Public Works Integrating Committee.

7.0 APPLICANT CERTIFICATION:

The undersigned certifies that: (1) he/she is legally authorized to request and accept financial assistance from the Ohio Public Works Commission; (2) to the best of his/her knowledge and belief, all representations that are part of this application are true and correct; (3) all official documents and commitments of the applicant that are part of this application have been duly authorized by the governing body of the applicant; and, (4) should the requested financial assistance be provided, that in the execution of this project, the applicant will comply with all assurances required by Ohio Law, including those involving Buy Ohio and prevailing wages.

Applicant certifies that physical construction on the project as defined in the application has NOT begun, and will not begin until a Project Agreement on this project has been executed with the Ohio Public Works Commission. Action to the contrary will result in termination of the agreement and withdrawal of Ohio Public Works Commission funding of the project.

Mark Wendling, City Manager, City of Silverton
Certifying Representative (Type or Print Name and Title)

Mark D. Wendling 9/12/08
Signature/Date Signed

CDS Associates, Inc.

Project: **EAST AVENUE**
CITY OF SILVERTON

DATE: 9/8/08
PROJECT: 2008014-007

Item No.	Spec. No.	Extension No.	Item	Estimated Quantity	Unit of Measure	Unit Cost Total	Item Cost
			EAST AVENUE				
1	201	11000	CLEARING AND GRUBBING	1	LS	\$2,000.00	\$2,000.00
2	203	98000	ROADWAY, MISC.: EXCAVATION, INCLUDING PAVEMENT REMOVAL	170	CY	\$30.00	\$5,100.00
3	203	20000	EMBANKMENT	50	CY	\$30.00	\$1,500.00
4	252	01001	ASPHALT BASE REPAIR (20% OF TOTAL AREA)	232	SY	\$75.00	\$17,400.00
5	254	01000	PAVEMENT PLANING, ASPHALT CONCRETE	1,540	SY	\$4.75	\$7,315.00
6	301	46000	ASPHALT CONCRETE BASE - PG64-22 (6")	56	CY	\$150.00	\$8,400.00
7	304	20000	* AGGREGATE BASE	28	CY	\$70.00	\$1,960.00
8	407	10001	TACK COAT, AS PER PLAN	188	GAL	\$1.50	\$282.33
9	448	46020	ASPHALT CONCRETE LEVELING COURSE, TYPE 1, PG64-22 -(1 1/2" ; VARIABLE DEPTH TO RE-PROFILE)	39	CY	\$190.00	\$7,410.00
10	448		MULTI-SEAL SURFACING / SAMI TYPE I (1 1/2")	1713	SY	\$4.00	\$6,852.00
11	448	47020	ASPHALT CONCRETE SURFACE COURSE, TYPE 1, PG64-22 -(1 1/2")	77	CY	\$190.00	\$14,630.00
12	452	17200	NON-REINFORCED CONCRETE PAVEMENT, MISC.: PLAIN PORTLAND CEMENT CONCRETE DRIVEWAY REMOVAL & REPLACEMENT, AS PER PLAN	213	SY	\$65.00	\$13,866.67
13	604	34500	SANITARY SEWER MANHOLE ADJUSTED TO GRADE	5	EA	\$500.00	\$2,500.00
14	608	98000	WALKWAY, MISC.: 5" CONCRETE WALK	3,850	SF	\$7.00	\$26,950.00
15	608	52001	CURB RAMP, AS PER PLAN, INCLUDING REMOVAL OF UNCLASSIFIED MATERIAL, INSTALLATION OF TRUNCATED DOMES, DETECTABLE WARNING INSERTS AND RESTORATION	6	EA	\$300.00	\$1,800.00

*DENOTES CONTINGENCY ITEM - USE ONLY AT THE DIRECTION OF THE ENGINEER

CDS Associates, Inc.

Project: EAST AVENUE
CITY OF SILVERTON

DATE: 9/8/08
PROJECT: 2008014-007

Item No.	Spec. No.	Extension No.	Item	Estimated Quantity	Unit of Measure	Unit Cost Total	Item Cost
16	609	98000	CURB MISC.: CONCRETE CURB, TYPE 6, INCLUDING PLAIN PORTLAND CEMENT CONCRETE FILL (CLASS C)	770	LF	\$23.00	\$17,710.00
17	614	11000	MAINTAINING TRAFFIC	1	LS	\$2,000.00	\$2,000.00
18	659	14000	SEEDING AND MULCHING	1,026	SY	\$2.50	\$2,565.00
19	638	98000	WATER WORKS: WATERMAIN VALVE CHAMBER TOP ADJUSTED TO GRADE WITH BRICK AND MORTAR OR PRECAST CONCRETE RING, LABOR AND	2	EA	\$500.00	\$1,000.00
20	638	10800	VALVE BOX ADJUSTED TO GRADE	2	EA	\$350.00	\$700.00

SUBTOTAL

\$141,941.00

+10% (+/-) CONTINGENCY

\$14,059.00

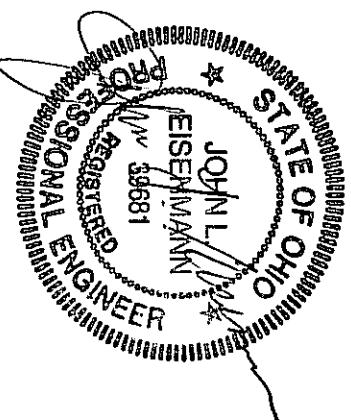
TOTAL

\$156,000.00

USEFUL LIFE: UPON SATISFACTORY COMPLETION OF THE WORK, THE USEFUL LIFE OF THE EAST AVENUE REPAIR / RESURFACING IMPROVEMENTS WILL BE 25 YEARS FOR THE ROADWAY.

OPINION OF CONSTRUCTION COST IS SUBJECT TO ADJUSTMENT UPON RECEIPT OF BIDS FROM QUALIFIED CONTRACTORS.

John L. Eisenmann
John Eisenmann, P.E., P.S.
City Engineer



*DENOTES CONTINGENCY ITEM - USE ONLY AT THE DIRECTION OF THE ENGINEER



11/24/08

Mr. Joe Cottrill
10480 Burlington Road
Cincinnati, OH 45231

Dear Mr. Cottrill, Sent by Email

RE: East Ave. Source of funds for OPWC Loan Repayment

Dear Joe,

The source of funding for the payments on the OPWC Loan for the East Avenue Project will come from the City of Silverton General Fund.

Thank you, and don't hesitate to call if you have any questions or need more info.

Thomas R. Peterson, CPA
Finance Director

RESOLUTION NO. 08-549

**A RESOLUTION AUTHORIZING THE CITY MANAGER
TO SUBMIT APPLICATION TO AND ENTER INTO CONTRACT
WITH THE OHIO PUBLIC WORKS COMMISSION
FOR STATE CAPITAL IMPROVEMENT PROGRAM (SCIP) FUNDS**

WHEREAS: The Ohio Public Works Commission has created the State Capital Improvement Program (SCIP) whereby municipalities can apply for funds to undertake capital improvements; and

WHEREAS: The City of Silverton desires to make improvements to East Avenue; and

WHEREAS: SCIP funds are available to help pay for said improvements to East Avenue.

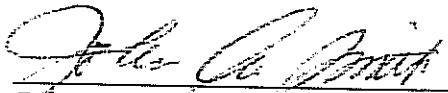
NOW THEREFORE BE IT RESOLVED by the Council of the City of Silverton, that:

SECTION I. The City Manager is hereby authorized to submit to the Ohio Public Works Commission an application for 2009 SCIP funds to be used to help pay for the East Avenue Improvement Project.

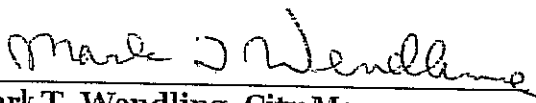
SECTION II. The City Manager is further authorized to enter into a contract with the Ohio Public Works Commission for the funding of the aforesaid project should SCIP funding be provided for the project.

SECTION III. This Resolution shall take effect and be in force from and after its passage and approval.

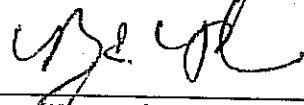
Passed this 4th day of September 2008.


John A. Smith, Mayor

ATTEST:



Mark T. Wendling, City Manager

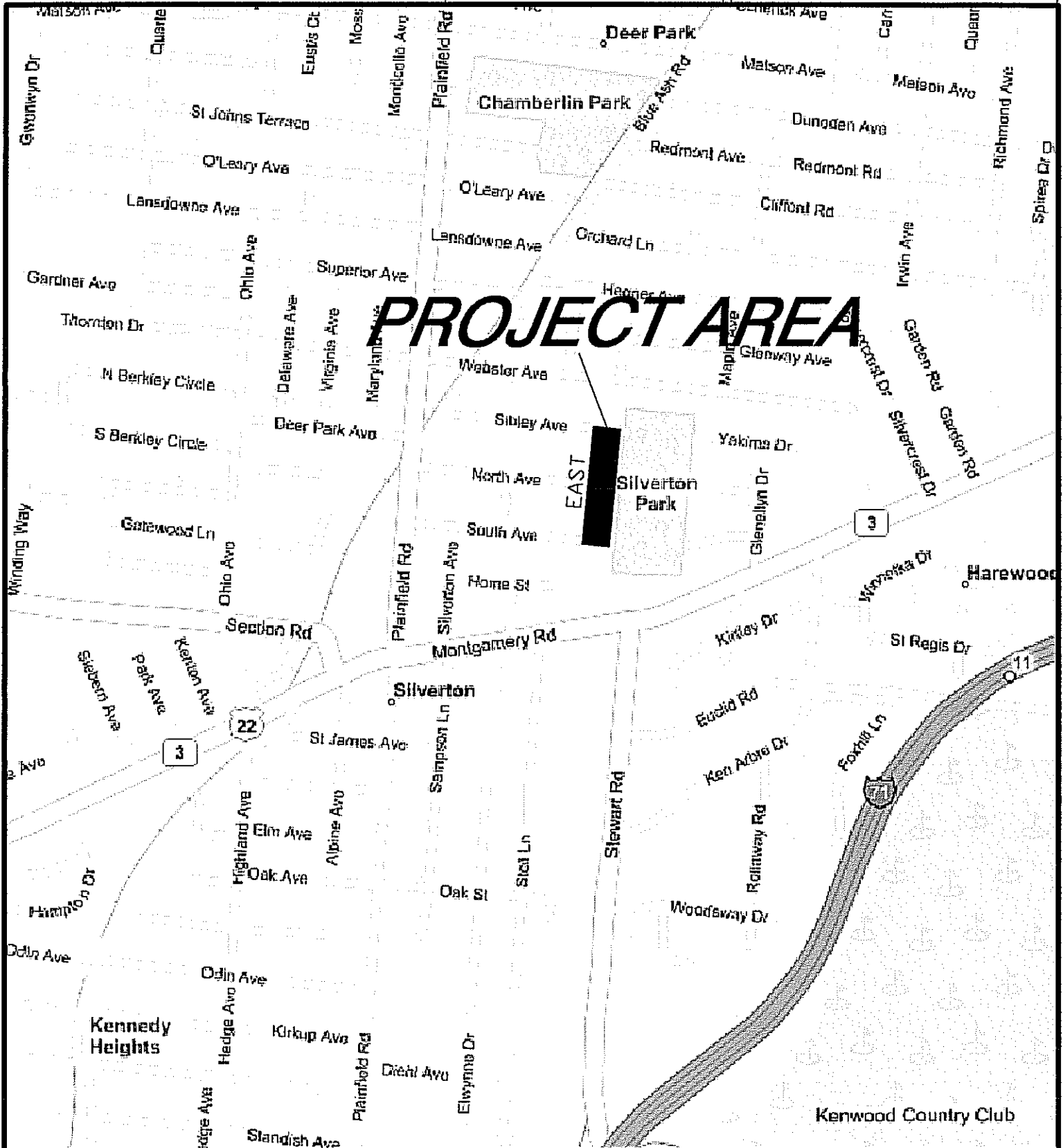
Approved as to form:


Bryan E. Pacheco, City Solicitor

CERTIFICATION:


I, Meredith L. George, Clerk of Council of the City of Silverton, County of Hamilton, State of Ohio; do hereby certify that there is no newspaper published in said municipality and that publication of the foregoing Resolution No. 08-549 has been duly made by posting true copies in five (5) of the most public places in said municipality, as determined by Council as follows: 1) Tamworth Circle & Plainfield Road; 2) Parkview Lane at Railroad; 3) Blue Ash Road & Plainfield Road; 4) Silverton Municipal Building; and 5) Silverton Playfield Entrance & Montgomery Road. Said posting was for a period of fifteen days commencing September 5, 2008.


Meredith L. George
Clerk of Council of Silverton, Ohio



TRAFFIC CERTIFICATION STATEMENT

This is to certify that the attached documentation regarding 24-hour traffic volume has been obtained by an actual mechanical count taken at the location and date noted on the traffic count printout.

 9/11/08

John L. Eisenmann, P.E., P.S. Date
City Engineer

Weather :
 Counted by:
 Board # :
 Other :

CDS ASSOCIATES, INC.
 11120 Kenwood Road
 Cincinnati, Ohio

Site Code : 000000002008
 Start Date: 07/22/2008
 File I.D. : EAST_AVE_N_OF
 Page : 2

Begin Time	<-----><----->		1	<-----><----->		2	<-----><----->		Combined	<-----><----->	
	A.M.	P.M.		A.M.	P.M.		A.M.	P.M.		A.M.	P.M.
12:00 07/23	0	2		0	2		0	4			
12:15	0	3		0	1		0	4			
12:30	0	3		0	2		0	5			
12:45	0	1	9	0	1	6	0	2	15		
01:00	0	2		0	2		0	4			
01:15	0	4		0	3		0	7			
01:30	0	6		0	1		0	7			
01:45	0	2	14	0	1	7	0	3	21		
02:00	0	1		0	1		0	2			
02:15	0	1		0	0		0	1			
02:30	0	4		0	2		0	6			
02:45	0	0	6	0	4	7	0	4	13		
03:00	0	0		0	0		0	0			
03:15	0	3		0	3		0	6			
03:30	0	1		0	2		0	3			
03:45	0	3	7	0	1	6	0	4	13		
04:00	0	7		0	3		0	10			
04:15	1	1		0	3		1	4			
04:30	0	4		0	2		0	6			
04:45	0	1	3	0	1	9	0	4	24		
05:00	1	4		0	2		1	6			
05:15	1	3		0	0		1	3			
05:30	1	3		0	3		1	6			
05:45	1	4	7	0	4	9	1	11	26		
06:00	1	3		1	3		2	6			
06:15	2	1		0	1		2	2			
06:30	4	3		1	2		5	5			
06:45	2	9	5	0	1	7	2	11	19		
07:00	1	6	12	0	2		1	8			
07:15	3	1		0	2		3	3			
07:30	2	2		0	4		2	6			
07:45	2	8	0	1	1	2	10	9	19		
08:00	0	5		0	0		0	5			
08:15	0	3		0	2		0	5			
08:30	1	0		1	0		2	0			
08:45	4	5	13	2	3	2	6	8	15		
09:00	3	1		1	0		4	1			
09:15	2	1		1	1		3	2			
09:30	3	1		0	0		3	1			
09:45	2	10	3	1	3	1	3	13	8		
10:00	5	1		3	0		8	1			
10:15	0	2		1	1		1	3			
10:30	1	0		0	0		1	0			
10:45	2	8	0	3	4	1	2	12	4		
11:00	4	1		1	0		5	1			
11:15	0	2		1	2		1	4			
11:30	1	0		2	1		3	1			
11:45	3	8	0	3	5	3	4	13	6		
Totals	53	114	18	69	71	163					
Day Totals		167		67		254					
Split %	74.6%	62.3%	25.3%	37.7%							

Peak Hour 08:45 05:00 08:30 05:30 09:15 05:00
 Volume 12 17 5 11 17 26
 P.H.F. .75 .60 .62 .68 .53 .59

South ST

City of Silverton
East Avenue Improvements



Multiple cracking, patching, and pavement deterioration.



Alligator cracking along west side of street (road is super-elevated to this side), and lack of drainage has impacted the condition of the asphalt.

City of Silverton
East Avenue Improvements



Multiple cracking, patching, pavement deterioration, and alligator cracking along west side of street. Lack of drainage has impacted the condition of the asphalt



Multiple cracking, patching, pavement deterioration, and alligator cracking along west side of street. Lack of drainage has impacted the condition of the asphalt

ADDITIONAL SUPPORT INFORMATION

For Program Year 2009 (July 1, 2008 through June 30, 2009), applying agencies shall provide the following support information to help determine which projects will be funded. Information on this form must be accurate, and where called for, based on sound engineering principles. Documentation to substantiate the individual items, as noted, is required. The applicant shall also use the rating system and its' addendum as a guide. The examples listed in this addendum are not a complete list, but only a small sampling of situations that may be relevant to a given project.

IF YOU ARE APPLYING FOR A GRANT, WILL YOU BE WILLING TO ACCEPT A LOAN IF ASKED BY THE DISTRICT? _____ YES ☒ NO (ANSWER REQUIRED)

Note: Answering "Yes" will not increase your score and answering "NO" will not decrease your score.

1) What is the condition of the existing infrastructure that is to be replaced or repaired?

Give a brief statement of the deficient conditions of the present facility exclusive of capacity, serviceability, health and/or safety issues. If known, give the approximate age of the infrastructure to be replaced, repaired, or expanded. Use documentation (if possible) to support your statement. Documentation may include (but is not limited to): ODOT BR86 reports, pavement management condition reports, televised underground system reports, age inventory reports, maintenance records, etc., and will only be considered if included in the original application. Examples of deficiencies include: structural condition; substandard design elements such as widths, grades, curves, sight distances, drainage structures, etc.

The roadway base is failing along the roadway, particularly the west side of the road. This is due to the fact that there is water ponding along the edge of the roadway. There is currently no curb nor storm inlets to properly convey flow away from the pavement, allowing water to simply pond on the pavement and deteriorate the conditions of the pavement.

2) How important is the project to the safety of the Public and the citizens of the District and/or service area?

Give a statement of the projects effect on the safety of the service area. The design of the project is intended to reduce existing accident rate, promote safer conditions, and reduce the danger of risk, liability or injury. (Typical examples may include the effects of the completed project on accident rates, emergency response time, fire protection, and highway capacity). Please be specific and provide documentation if necessary to substantiate the data. The applicant must demonstrate the type of problems that exist, the frequency and severity of the problems and the method of correction.

Replacement of sidewalks will provide safe pedestrian access for walking students to the proposed elementary school. New curbs will result in more efficient storm water pick up, thereby improving the safety of motorists. Implementing the proposed improvements will provide a higher level of serviceability and ride-ability, provide better pedestrian access as well as ADA compliance.

3) How important is the project to the health of the Public and the citizens of the District and/or service area?

Give a statement of the projects effect on the health of the service area. The design of the project will improve the overall condition of the facility so as to reduce or eliminate potential for disease, or correct concerns regarding the environmental health of the area. (Typical examples may include the effects of the completed project by improving or adding storm drainage or sanitary facilities, replacing lead jointed water lines, etc.). Please be specific and provide documentation if necessary to substantiate the data. The applicant must demonstrate the type of problems that exist, the frequency and severity of the problems and the method of correction.

Implementing the proposed improvements will provide a higher level of serviceability and rideability, provide better pedestrian access as well as ADA compliance, and also allow for safer emergency vehicle movement.

4) Does the project help meet the infrastructure repair and replacement needs of the applying jurisdiction?

The jurisdiction must submit a listing in priority order of the projects for which it is applying. Points will be awarded on the basis of most to least importance.

Priority 1 Hampton Drive and Aldon Lane Improvements

Priority 2 East Avenue Improvements

Priority 3 _____

Priority 4 _____

Priority 5 _____

5) To what extent will the user fee funded agency be participating in the funding of the project?

(example: rates for water or sewer, frontage assessments, etc.).

N/A

6) Economic Growth - How will the completed project enhance economic growth?

Give a statement of the projects effect on the economic growth of the service area (be specific).

This neighborhood is comprised of well-built bungalow and Cape Cod-style houses built in the 1940's and 1950's. This is an area that has been well maintained and is a stable neighborhood within the City of Silverton. Repair of the infrastructure on these blocks is important to encourage the safe use of sidewalks for the potential new school, and the continued stability of this neighborhood and maintain the property values.

7) Matching Funds - LOCAL

The information regarding local matching funds is to be filed by the applicant in Section 1.2 (b) of the Ohio Public Works Association's "Application for Financial Assistance" form.

8) Matching Funds - OTHER

The information regarding local matching funds is to be filed by the applicant in Section 1.2 (c) of the Ohio Public Works Association's "Application for Financial Assistance" form. If MRF funds are being used for matching funds, the MRF application must be filed by Friday, August 29, 2008 for this project with the Hamilton County Engineer's Office. List below, the source(s) of all "other" funding

9) Will the project alleviate serious capacity problems or respond to the future level of service needs of the District?

Describe how the proposed project will alleviate serious capacity problems (be specific).

The proposed improvements will not affect the capacity of these streets.

For roadway betterment projects, provide the existing and proposed Level of Service (LOS) of the facility using the methodology outlined within AASHTO's "Geometric Design of Highways and Streets" and the 1985 Highway Capacity Manual.

Existing LOS _____ Proposed LOS _____

If the proposed design year LOS is not "C" or better, explain why LOS "C" cannot be achieved.

N/A

10) IF SCIP / LTIP funds are granted, when would the construction contract be awarded?

If SCIP / LTIP funds are awarded, how soon after receiving the Project Agreement from OPWC (tentatively set for July 1, of this year following the deadline for applications) would the project be under contract? The Support Staff will review status reports of previous projects to help judge the accuracy of a jurisdiction's anticipated project schedule.

Number of Months 1

- a.) Are preliminary plans or engineering completed? Yes _____ No x N/A _____
- b.) Are detailed construction plans completed? Yes _____ No x N/A _____
- c.) Are all utility coordination's completed? Yes _____ No x N/A _____
- d.) Are all right-of-way and easements acquired (if applicable)? Yes _____ No x N/A _____

If no, how many parcels needed for project? 0 Of these, how many are: Takes 0
Temporary _____
Permanent _____

For any parcels not yet acquired, explain the status of the ROW acquisition process for this project.

N/A

- e.) Give an estimate of time needed to complete any item above not yet completed. 4 Months.

11) Does the infrastructure have regional impact?

Give a brief statement concerning the regional significance of the infrastructure to be replaced, repaired, or expanded.

The roadway will serve as a pedestrian route to the new elementary. The roadway itself is a local roadway only serving the neighborhood.

12) What is the overall economic health of the jurisdiction?

The District 2 Integrating Committee predetermines the jurisdiction's economic health. The economic health of a jurisdiction may periodically be adjusted when census and other budgetary data are updated.

13) Has any formal action by a federal, state, or local government agency resulted in a partial or complete ban of the usage or expansion of the usage for the involved infrastructure?

Describe what formal action has been taken which resulted in a ban of the use of or expansion of use for the involved infrastructure? Typical examples include weigh limits, truck restrictions, and moratoriums or limitations on issuance of building permits, etc. The ban must have been caused by a structural or operational problem to be considered valid. Submission of a copy of the approved legislation would be helpful.

No ban

Will the ban be removed after the project is completed? Yes _____ No _____ N/A x

14) What is the total number of existing daily users that will benefit as a result of the proposed project?

For roads and bridges, multiply current Average Daily Traffic (ADT) by 1.20. For inclusion of public transit, submit documentation substantiating the count. Where the facility currently has any restrictions or is partially closed, use documented traffic counts prior to the restriction. For storm sewers, sanitary sewers, water lines, and other related facilities, multiply the number of households in the service area by 4. User information must be documented and certified by a professional engineer or the jurisdictions' C.E.O.

Traffic:	ADT	<u>254</u>	x 1.20 =	<u>305</u>	Users *	Includes Metro Ridership
Water / Sewer:	Homes		x 4.00 =		Users	

15) Has the jurisdiction enacted the optional \$5.00 license plate fee, an infrastructure levy, a user fee, or dedicated tax for the pertinent infrastructure?

The applying jurisdiction shall list what type of fees, levies or taxes they have dedicated toward the type of infrastructure being applied for. (Check all that apply)

Operational \$5.00 License Tax	<u>YES</u>	Specify type	<u>Hamilton Co. License Tax by agreement</u>
Infrastructure Levy	<u>NO</u>	Specify type	
Facility Users Fee	<u>NO</u>	Specify type	
Dedicated Tax	<u>NO</u>	Specify type	
Other Fee, Levy or Tax	<u>NO</u>	Specify type	

SCIP/LTIP PROGRAM
ROUND 23 - PROGRAM YEAR 2009
PROJECT SELECTION CRITERIA
JULY 1, 2009 TO JUNE 30, 2010

NAME OF APPLICANT: City of Silverton
NAME OF PROJECT: East Ave. Improvements
RATING TEAM: 1

General Statement for Rating Criteria

Points awarded for all items will be based on engineering experience, field verification, application information and other information supplied by the applying agency, which is deemed to be relevant by the Support Staff. The examples listed in this addendum are not a complete list, but only a small sampling of situations that may be relevant to a given project.

CIRCLE THE APPROPRIATE RATING

1) What is the physical condition of the existing infrastructure that is to be replaced or repaired?

- 25 - Failed
- 23 - Critical
- ☒ 20 - Very Poor
- 17 - Poor
- 15 - Moderately Poor
- 10 - Moderately Fair
- 5 - Fair Condition
- 0 - Good or Better

*This road needs reconstruction
but with quantities in estimate &
evidence provided will only
rehab road.*

Appeal Score _____

Criterion 1 - Condition

Condition of the particular infrastructure to be repaired, reconstructed or replaced shall be a measure of the degree of reduction in condition from its original state. Historic pavement management data based on ASTM D6433-99 rating system may be submitted as documentation. Capacity, serviceability, safety and health shall not be considered in this criterion. Any documentation the Applicant wishes to be considered must be included in the application package.

Definitions:

Failed Condition - requires complete reconstruction where no part of the existing facility is salvageable. (E.g. Roads: complete reconstruction of roadway, curbs and base; Bridges: complete removal and replacement of bridge; Underground: removal and replacement of an underground drainage or water system.)

Critical Condition - requires partial reconstruction to maintain integrity. (E.g. Roads: reconstruction of roadway/curbs can be saved; Bridges: removal and replacement of bridge with abutment modification; Underground: removal and replacement of part of an underground drainage or water system.)

Very Poor Condition - requires extensive rehabilitation to maintain integrity. (E.g. Roads: extensive full depth, partial depth and curb repair of a roadway with a structural overlay; Bridges: superstructure replacement; Underground: repair of joints and/or replacement of pipe sections.)

Poor Condition - requires standard rehabilitation to maintain integrity. (E.g. Roads: moderate full depth, partial depth and curb repair to a roadway with no structural overlay needed or structural overlay with minor repairs to a roadway needed; Bridges: extensive patching of substructure and replacement of deck; Underground: insituform or other in ground repairs.)

Moderately Poor Condition - requires minor rehabilitation to maintain integrity. (E.g. Roads: minor full depth, partial depth or curb repairs to a roadway with either a thin overlay or no overlay needed; Bridges: major structural patching and/or major deck repair.)

Moderately Fair Condition - requires extensive maintenance to maintain integrity. (E.g. Roads: thin or no overlay with extensive crack sealing, minor partial depth and/or slurry or rejuvenation; Bridges: minor structural patching, deck repair, erosion control.)

Fair Condition - requires routine maintenance to maintain integrity. (E.g. Roads: slurry seal, rejuvenation or routine crack sealing to the roadway; Bridges: minor structural patching.)

Good or Better Condition - little to no maintenance required to maintain integrity.

Note: If the infrastructure is in "good" or better condition, it will **NOT** be considered for SCIP/LTIP funding unless it is an expansion project that will improve serviceability.

2) How important is the project to the safety of the Public and the citizens of the District and/or service area?

25 - Highly significant importance

20 - Considerably significant importance

15 - Moderate importance

10 - Minimal importance

5 - Poorly documented importance

☒ 0 - No measurable impact

Appeal Score

Criterion 2 – Safety

The applying agency shall include in its application the type of deficiency that currently exists and how the intended project would improve the situation. For example, have there been vehicular accidents attributable to the problems cited? Have they involved injuries or fatalities? In the case of water systems, are existing hydrants non-functional? In the case of water lines, is the present capacity inadequate to provide volumes or pressure for adequate fire protection? **In all cases, specific documentation is required.** Mentioned problems, which are poorly documented, generally will not receive more than 5 points.

Note: Each project is looked at on an individual basis to determine if any aspects of this category apply. Examples given above are NOT intended to be exclusive.

3) How important is the project to the health of the Public and the citizens of the District and/or service area?

25 - Highly significant importance

20 - Considerably significant importance

15 - Moderate importance

10 - Minimal importance

5 - Poorly documented importance

☒ 0 - No measurable impact

Appeal Score

Criterion 3 – Health

The applying agency shall include in its application the type, frequency, and severity of the health problem that would be eliminated or reduced by the intended project. For example, can the problem be eliminated only by the project, or would routine maintenance be satisfactory? If basement flooding has occurred, was it storm water or sanitary flow? What complaints if any are recorded? In the case of underground improvements, how will they improve health if they are storm sewers? How would improved sanitary sewers improve health or reduce health risk? **In all cases, quantified documentation is required.** Mentioned problems, which are poorly documented, generally will not receive more than 5 points.

Note: Each project is looked at on an individual basis to determine if any aspects of this category apply. Examples given above are NOT intended to be exclusive.

4) Does the project help meet the infrastructure repair and replacement needs of the applying agency?

Note: Applying agency's priority listing (part of the Additional Support Information) must be filed with application(s).

25 - First priority project

☒ 20 - Second priority project

15 - Third priority project

10 - Fourth priority project

5 - Fifth priority project or lower

Appeal Score

Criterion 4 – Jurisdiction's Priority Listing

The applying agency **must** submit a listing in priority order of the projects for which it is applying. Points will be awarded on the basis of most to least importance. The form is included in the Additional Support Information.

5) To what extent will a user fee funded agency be participating in the funding of the project?

- ☒ 10 - Less than 10%
- 9 - 10% to 19.99%
- 8 - 20% to 29.99%
- 7 - 30% to 39.99%
- 6 - 40% to 49.99%
- 5 - 50% to 59.99%
- 4 - 60% to 69.99%
- 3 - 70% to 79.99%
- 2 - 80% to 89.99%
- 1 - 90% to 95%
- 0 - Above 95%

Appeal Score

Criterion 5 – User Fee-funded Agency Participation

To what extent will a user fee funded agency be participating in the funding of the project? (Example: rates for water or sewer, frontage assessments, etc.). The applying agency must submit documentation.

6) Economic Growth – How the completed project will enhance economic growth (See definitions).

10 – The project will directly secure new employment

Appeal Score

5 – The project will permit more development

☒ 0 – The project will not impact development

Criterion 6 – Economic Growth

Will the completed project enhance economic growth and/or development ~~mainstreamed~~?

Definitions:

Secure new employment: The project as designed will secure development/employers, which will immediately add new permanent employees ~~to the jurisdiction~~. The applying agency must submit details.

Permit more development: The project as designed will permit additional business development/employment. The applying agency must supply details.

The project will not impact development: The project will have no impact on business development.

Note: Each project is looked at on an individual basis to determine if any aspects of this category apply.

7) Matching Funds - **LOCAL**

10 - This project is a loan or credit enhancement

10 - 50% or higher

8 - 40% to 49.99%

List total percentage of "Local" funds 30 %

☒ 6 - 30% to 39.99%

4 - 20% to 29.99%

2 - 10% to 19.99%

0 - Less than 10%

Criterion 7 – Matching Funds – Local

The percentage of matching funds which come directly from the budget of the applying agency. Ten points shall be awarded if a loan request is at least 50% of the total project cost. (If the applying agency is not a user fee funded agency, any funds to be provided by a user fee generating agency will be considered "Matching Funds – Other").

8) Matching Funds – **OTHER** List total percentage of “Other” funds 0 %

- 10 – 50% or higher
- 8 – 40% to 49.99%
- 6 – 30% to 39.99%
- 4 – 20% to 29.99%
- 2 – 10% to 19.99%
- 1 – 1% to 9.99%
- 0** – Less than 1%

List below each funding source and percentage

_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

Criterion 8 – Matching Funds - Other
The percentage of matching funds that come from funding sources other than those mentioned in Criterion 7. A letter from the outside funding agency stating their financial participation in the project and the amount of funding is required to receive points. For MRF, a copy of the current application form filed with the Hamilton County Engineer’s Office meets the requirement.

9) Will the project alleviate serious capacity problems or hazards or respond to the future level of service needs of the district?

- 10 - Project design is for future demand.
 - 8 - Project design is for partial future demand.
 - 6 - Project design is for current demand.
 - 4 - Project design is for minimal increase in capacity.
 - 0** - Project design is for no increase in capacity.
- Appeal Score

Criterion 9 – Alleviate Capacity Problems
The applying agency shall provide a narrative, along with pertinent support documentation, which describe the existing deficiencies and showing how congestion will be reduced or eliminated and how service will be improved to meet the needs of any expected growth or development. A formal capacity analysis must accompany the application to receive more than 4 points. Projected traffic or demand should be calculated as follows:

Formula:
Existing volume x design year factor = projected volume

Design Year	Design year factor		
	Urban	Suburban	Rural
20	1.40	1.70	1.60
10	1.20	1.35	1.30

Definitions:
Future demand – Project will eliminate existing congestion or deficiencies and will provide sufficient capacity or service for twenty-year projected demand or fully developed area conditions. Justification must be supplied if the area is already largely developed or undevelopable and thus the projection factors used deviate from the above table.
Partial future demand – Project will eliminate existing congestion or deficiencies and will provide sufficient capacity or service for ten-year projected demand or partially developed area conditions. Justification must be supplied if the area is already largely developed or undevelopable and thus the projection factors used deviate from the above table.
Current demand – Project will eliminate existing congestion or deficiencies and will provide sufficient capacity or service only for existing demand and conditions.
Minimal increase – Project will reduce but not eliminate existing congestion or deficiencies and will provide a minimal but less than sufficient increase in existing capacity or service for existing demand and conditions.
No increase – Project will have no effect on existing congestion or deficiencies and provide no increase in capacity or service for existing demand and conditions.

10) **Readiness to Proceed - If SCIP/LTIP funds are granted, when would the construction contract be awarded?**

- 5 - Will be under contract by December 31, 2009 and no delinquent projects in Rounds 20 & 21
- 3 - Will be under contract by March 31, 2010 and/or one delinquent project in Rounds 20 & 21
- 0 - Will not be under contract by March 31, 2010 and/or more than one delinquent project in Rounds 20 & 21

Criterion 10 – Readiness to Proceed

The Support Staff will assign points based on engineering experience and status of design plans. A project is considered delinquent when it has not received a notice to proceed within the time stated on the original application and no time extension has been granted by the OPWC. An applying agency receiving approval for a project and subsequently canceling the same after the bid date on the application will receive zero (0) points under this round and the following round.

11) **Does the infrastructure have regional impact? Consider origination and destination of traffic, functional classifications, size of service area, and number of jurisdictions served, etc.**

- 10 – Major Impact

8 – Significant Impact

6 – Moderate Impact

4 – Minor Impact

2 – Minimal or No Impact
- Appeal Score
-

Criterion 11 - Regional Impact

The regional significance of the infrastructure that is being repaired or replaced.

Definitions:

Major Impact – Roads: Major Arterial: A direct connector to an Interstate Highway; Arterials are intended to provide a greater degree of mobility rather than land access. Arterials generally convey large traffic volumes for distances greater than one mile. A major arterial is a highway that is of regional importance and is intended to serve beyond the county. It may connect urban centers with one another and/or with outlying communities and employment or shopping centers. A major arterial is intended primarily to serve through traffic.

Significant Impact – Roads: Minor Arterial: A roadway, also serving through traffic, that is similar in function to a major arterial, but operates with lower traffic volumes, serves trips of shorter distances (but still greater than one mile), and may provide a higher degree of property access than do major arterials.

Moderate Impact – Roads: Major Collector: A roadway that provides for traffic movement between local roads/streets and arterials or community-wide activity centers and carries moderate traffic volumes over moderate distances (generally less than one mile). Major collectors may also provide direct access to abutting properties, such as regional shopping centers, large industrial parks, major subdivisions and community-wide recreational facilities, but typically not individual residences. Most major collectors are also county roads and are therefore through streets.

Minor Impact – Roads: Minor Collector: A roadway similar in functions to a major collector but which carries lower traffic volumes over shorter distances and has a higher degree of property access. Minor collectors may serve as main circulation streets within large, residential neighborhoods. Most minor collectors are also township roads and streets and may, or may not, be through streets.

Minimal or No Impact - Roads: Local: A roadway that is primarily intended to provide access to abutting properties. It tends to accommodate lower traffic volumes, serves short trips (generally within neighborhoods), and provides connections preferably only to collector streets rather than arterials.

12) What is the overall economic health of the jurisdiction?

10 Points

8 Points

6 Points

4 Points

2 Points

Criterion 12 – Economic Health

The District 2 Integrating Committee predetermines the applying agency's economic health. The economic health of a jurisdiction may periodically be adjusted when census and other budgetary data are updated.

13) Has any formal action by a federal, state, or local government agency resulted in a partial or complete ban of the usage or expansion of the usage for the involved infrastructure?

10 - Complete ban, facility closed

Appeal Score

8 - 80% reduction in legal load or 4-wheeled vehicles only

7 - Moratorium on future development, *not* functioning for current demand

6 - 60% reduction in legal load

5 - Moratorium on future development, functioning for current demand

4 - 40% reduction in legal load

2 - 20% reduction in legal load

0 - Less than 20% reduction in legal load

Criterion 13 - Ban

The applying agency shall provide documentation to show that a facility ban or moratorium has been formally placed. The ban or moratorium must have been caused by a structural or operational problem. Points will only be awarded if the end result of the project will cause the ban to be lifted.

14) What is the total number of existing daily users that will benefit as a result of the proposed project?

10 - 30,000 or more

Appeal Score

8 - 21,000 to 29,999

6 - 12,000 to 20,999

4 - 3,000 to 11,999

2 - 2,999 and under

Criterion 14 - Users

The applying agency shall provide documentation. A registered professional engineer or the applying agency's C.E.O must certify the appropriate documentation. Documentation may include current traffic counts, households served, when converted to a measurement of persons. Public transit users are permitted to be counted for the roads and bridges, but only when certifiable ridership figures are provided.

15) Has the applying agency enacted the optional \$5 license plate fee, an infrastructure levy, a user fee, or dedicated tax for the pertinent infrastructure? *(Provide documentation of which fees have been enacted.)*

5 - Two or more of the above

Appeal Score

3 - One of the above

0 - None of the above

Criterion 15 – Fees, Levies, Etc.

The applying agency shall document (in the "Additional Support Information" form) which type of fees, levies or taxes they have dedicated toward the type of infrastructure being applied for.

CITY OF SILVERTON, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	<u>Governmental Activities</u>
<i>Assets</i>	
Equity in pooled cash and cash equivalents	\$ 2,602,815
Cash and cash equivalents in segregated accounts	7,819
Receivables:	
Property and other taxes	645,287
Income taxes	1,143,445
Accounts	67,655
Intergovernmental	292,571
Prepaid items	19,195
Materials and supplies inventory	7,308
Nondepreciable capital assets	581,190
Depreciable capital assets, net	<u>2,388,557</u>
Total assets	<u>7,755,842</u>
<i>Liabilities</i>	
Accounts payable	75,886
Accrued wages and benefits	1,673
Intergovernmental payable	119,673
Deferred revenue	548,926
Accrued interest payable	5,631
Long-term liabilities:	
Due within one year	213,680
Due in more than one year	<u>1,866,221</u>
Total liabilities	<u>2,831,690</u>
<i>Net Assets</i>	
Invested in capital assets, net of related debt	1,321,763
Restricted for:	
Debt Service	35,452
Other purposes	475,017
Unrestricted	<u>3,091,920</u>
Total net assets	<u>\$ 4,924,152</u>

See accompanying notes to the basic financial statements.

CITY OF SILVERTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
Unaudited

Management's Discussion and Analysis (MD&A) of the City of Silverton's financial performance provides an overview of the City's financial activities for the year ended December 31, 2007. The intent of this discussion and analysis is to look at the City's financial performance as a whole, and readers are encouraged to review the financial statements and notes to the financial statements to enhance their understanding of the City's overall financial performance.

Financial Highlights

- The City's total net assets increased by \$796,141, which represents a 19% increase from 2006. This increase was due primarily to the City spending less on operational expenditures and saving to invest in capital improvements of the City.
- General revenues accounted for \$3,035,014 or 82% of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$688,682 or 18% percent of total governmental revenues of \$3,723,696.
- The City had \$2,927,555 in expenses; only \$688,682 of these expenses were offset by program specific charges for services and sales, and grants and contributions.

Using This Annual Financial Report

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City of Silverton's financial situation as a whole and also give a detailed view of the City's fiscal condition.

The Statement of Net Assets and Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. The fund financial statements provide the next level of detail. These statements tell how services were financed in the short-term, as well as the amount of funds available for future spending. The fund financial statements focus on the City's most significant funds, with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

One of the most important questions asked about the City is "How did we do financially during 2007?" The Statement of Net Assets and the Statements of Activities, which appear first in the City's financial statements, report information on the City as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

CITY OF SILVERTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
Unaudited

These two statements report the City's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. However, the City's goal is to provide services to its citizens, not to generate profits as commercial entities do.

Reporting the City's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the City Finance Director, with the approval of Council, to help control, manage, and report money received for a particular purpose or to show that the City is meeting legal responsibilities for the use of grants. However, the focus of the fund financial statements is on the City's most significant funds, and therefore only the major funds are presented in separate columns. City has two major funds: the General Fund and Plainfield Improvement Fund.

Governmental Funds – Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds – The City's fiduciary fund consists of two agency funds. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

CITY OF SILVERTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
Unaudited

The City as a Whole

As stated previously, the Statement of Net Assets looks at the City as a whole. The following table provides a summary of the City's net assets for 2007 compared to 2006:

	Governmental Activities	
	2007	2006
Current and other assets	4,786,095	4,129,762
Capital assets, net	2,969,747	2,790,657
Total assets	7,755,842	6,920,419
Current and other liabilities	751,789	846,534
Long-term liabilities:		
Due within one year	213,680	230,792
Due in more than one year	1,866,221	1,715,082
Total liabilities	2,831,690	2,792,408
Invested in capital assets, net of related debt	1,321,763	1,257,149
Restricted	510,469	495,362
Unrestricted	3,091,920	2,375,500
Total net assets	4,924,152	4,128,011

As displayed in Table 1 total net assets of the City as a whole, increased by \$796,141 from total net assets reported at December 31, 2006. Revenues have remained fairly consistent with the exception of a large inheritance tax distribution received during 2007. The City was also able to earn substantially more in interest from investments. The excess is being used for current and future infrastructure projects. During 2007, the City completed the Plainfield Road South Improvement project and began the Plainfield/Montgomery Road intersection project.

CITY OF SILVERTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
Unaudited

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of governmental activities for 2007 and 2006:

	Governmental Activities	
	<u>2007</u>	<u>2006</u>
Revenues:		
Program revenues:		
Charges for services	\$ 341,804	339,034
Operating grants and contributions	256,878	261,144
Capital grants and contributions	90,000	150,000
Total program revenues	<u>688,682</u>	<u>750,178</u>
General revenues:		
Property and other local taxes	623,116	617,252
Income taxes	1,687,365	1,703,614
Grants and entitlements not restricted for specific purposes	500,164	348,534
Investment earnings	95,354	61,849
Miscellaneous	<u>129,015</u>	<u>125,472</u>
Total general revenues	<u>3,035,014</u>	<u>2,856,721</u>
Total revenues	<u>3,723,696</u>	<u>3,606,899</u>
Program expenses:		
General government	966,348	869,772
Security of persons and property	1,344,204	1,291,398
Public health and welfare	4,746	4,575
Public works	279,264	299,211
Community environment	298,739	185,865
Leisure time activities	25,349	14,175
Interest on long-term debt	<u>8,905</u>	<u>13,384</u>
Total expenses	<u>2,927,555</u>	<u>2,678,380</u>
Change in net assets	<u>796,141</u>	<u>928,519</u>

The positive change in net assets of \$796,141 during 2007 allows the City to accumulated resources and invest in their commitment to improving the City's infrastructure. Total revenues increased by \$116,797 compared to a year ago. Along with this increase, there was an increase in expenditures of \$249,175.

CITY OF SILVERTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Unaudited

Governmental Activities

The 1.25% income tax is the largest source of revenue for the General Fund and the City of Silverton. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are to be used to pay the cost of administering the tax, General Fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council.

The following table indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by income and property tax revenues and unrestricted revenue.

	Governmental Activities			
	Total Cost	Net Cost	Total Cost	Net Cost
	of Services	of Services	of Services	of Services
	2007	2007	2006	2006
General government	966,348	(859,855)	869,772	(772,487)
Security of persons and property	1,344,204	(1,342,911)	1,291,398	(1,273,221)
Public health and welfare	4,746	(4,746)	4,575	(4,575)
Public works	279,264	67,614	299,211	105,220
Community environment	298,739	(71,564)	185,865	40,490
Leisure time activities	25,349	(18,506)	14,175	(10,245)
Interest on long-term debt	8,905	(8,905)	13,384	(13,384)
Total Expenses	2,927,555	(2,238,873)	2,678,380	(1,928,202)

When looking at the sources of income to support governmental activities, it should be noted that charges for services are only 9 percent of total revenues. Revenues provided by sources other than City residents in the form of operating and capital grants and contributions comprise another 9 percent. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

CITY OF SILVERTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
 Unaudited

The City's Funds

Information about the City's major governmental funds begins on page 12. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$3,722,454 and expenditures of \$3,258,897. The General Fund's balance increased by \$169,356, primarily due to increases in revenues from delinquent income tax collections, investment earnings and inheritance tax settlements.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements, and encumbrances. The City's budget is adopted at the fund level by City Council in the form of an appropriation resolution.

Original and final General Fund budgeted revenues were \$2,680,636. The difference between actual budget basis revenues and final budgeted revenues was \$717,666 due to the City receiving additional revenues from income taxes and interest.

The increase in appropriations from the original to the final budget was \$670,782 as a result of additional transfers made from the General Fund during 2007 that was not budgeted in the beginning of the year. The difference between actual budget basis expenditures and final budgeted expenditures was \$137,103, which was mainly due to management's overall control of operational expenditures.

Capital Assets and Debt Administration

At December 31, 2007, the City had invested in a broad range of capital assets, including land, land improvements, buildings, equipment, vehicles and infrastructure.

**Capital Assets at Year-End
 (Net of Depreciation)**

	Governmental Activities	
	2007	2006
Land	\$ 405,926	405,926
Assets held for resale	95,150	95,150
Construction in progress	80,114	539,542
Land improvements	3,675	4,165
Buildings and improvements	62,338	65,034
Furniture, fixtures and equipment	163,559	138,821
Vehicles	131,195	137,355
Infrastructure	2,027,790	1,404,664
Total	\$ 2,969,747	2,790,657

CITY OF SILVERTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
Unaudited

Capital assets increased by \$179,090. The largest increase was in infrastructure and construction in progress for street improvements made during the year. The City also purchased a backhoe and made some improvements to existing buildings.

Assets held for resale include land and a house that the City owns but is holding for resale at a future date.

See note 8 of the notes to the basic financial statements for more detailed information.

Debt

At December 31, 2007, the City of Silverton had the following long-term debt outstanding:

Outstanding Long-Term Debt at Year-End

	Governmental Activities	
	2007	2006
2003 Various Purpose Refunding Bonds	\$ 203,300	249,600
2005 Vehicle Acquisitions Bonds	-	52,389
Ohio Public Works Commission Loans		
2001 - Fire Hydrants	174,014	184,890
2002 - Stoll Lane Improvements	387,142	424,493
2004 - East Gatewood Lane Improvements	139,318	132,935
2006 - Sampson Lane Improvements	244,117	256,966
2007 - Plainfield Road South Improvements	494,883	222,753
Total	\$ 1,642,774	1,524,026

Along with the retirement of existing debt, the City was able to borrow another \$284,819 for improvements to Plainfield Road South. These projects are in line with the overall capital improvement plan.

The Vehicle Acquisitions Bonds of \$52,389 were retired during 2007.

The City's overall 10.5 percent legal debt margin was \$8,041,228 of December 31, 2007. The more restrictive unvoted legal debt margin was \$3,429,798 as of the same date. See Note 14 of the notes to the basic financial statements for more detailed information.

Current Financial Challenges and Initiatives

The future challenge for the City is to generate additional revenues with which to finance operations and to fund necessary road repairs and other capital needs. One of the initiatives to meet this challenge was to add, in 2005, a second income tax employee designated to pursue increased collections of delinquent income taxes. As the financial statements reflect, the City has been successful in collecting back taxes owed.

CITY OF SILVERTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
Unaudited

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Thomas R. Peterson, Finance Director or Mark T. Wendling, City Manager, City of Silverton, 6860 Plainfield Road, Cincinnati, Ohio 45236.

CITY OF SILVERTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 – REPORTING ENTITY AND BASIS OF PRESENTATION

The City of Silverton (the "City") is a chartered municipal corporation operating under the laws of the State of Ohio. In 1884, the area was incorporated as the Hamlet of Silverton and continued that status until December 31, 1904, when by election it became the Village of Silverton. On January 4, 1961, Silverton officially became a city. The municipal government is known as a Council/Manager form of government. Legislative power is vested in a six member council, all of whom serve a two year term. The Council appoints a City Manager. The City Manager is the chief executive officer and the head of the administrative agencies of the City. He/she appoints all department heads and employees, except the Mayor and Solicitor. The Mayor is elected at large for a two year term. The Solicitor is appointed by Council. During 2006, the citizens voted to amend the charter by eliminating the voted clerk-treasurer position and replacing with a finance director that is appointed by the city manager.

Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments which are not legally separate from the City. They provide various services including police protection, parks and recreation, planning, zoning, street maintenance and repair, parking, waste disposal, and public health and welfare. A staff provides support (i.e., payroll processing, accounts payable, revenue collection) to the service providers. The operation and control of these activities is provided by the City Council through the budgetary process and by the City Manager through administrative and managerial requirements and procedures.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes. The City does not have any component units included in its reporting entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Silverton have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities unless those pronouncements conflict with or contradict the GASB pronouncements. The more significant of the City's accounting policies are described below.

CITY OF SILVERTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information. The statements usually distinguish between those activities that are governmental and those that are considered business-type activities. The City, however, has no business-type activities.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets presents the financial condition of the governmental activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds utilized by the City: governmental and fiduciary.

CITY OF SILVERTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the City's major governmental fund:

General Fund – This fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

The other governmental funds of the City account for grants and other resources whose use is restricted for a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has two agency funds, the Mayor's Court Fund, which is used to account for the collection and distribution of court fees and the Block Watch Fund, which is used to account for activity of a neighborhood block watch.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included on the statement of net assets. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (e.g., revenues and other financing sources) and uses (e.g., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund financial statements.

CITY OF SILVERTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the financial statements of the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within thirty-one days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the year in which the income is earned. (See Note 7) Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 5) Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income taxes, interest on investments, intergovernmental revenues (including motor vehicle license tax, gasoline tax, and local government assistance), fines and forfeitures, and grants.

Deferred Revenue

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of December 31, 2007, but were levied to finance 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

CITY OF SILVERTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "Equity In Pooled Cash and Cash Equivalents" on the financial statements. The City's Mayor's Court has its own checking accounts for collection and distribution of court fines and forfeitures which are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts."

During fiscal year 2007, the City's investments included various federal securities.

Investments with an original maturity of three months or less at the time of purchase and investments are reported as cash equivalents on the financial statements.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue reported in the fund financials for 2007 amounted to \$108,785. This amount includes an increase of \$2,266 in the market value of the City's investments at December 31, 2007 as required under Governmental Accounting Standards Board (GASB) Statement 31 *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools."*

Materials and Supplies Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed when used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditures/expense is recorded in the year in which services are consumed.

CITY OF SILVERTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

Capital Assets

All of the City's capital assets are classified as general capital assets. General capital assets are capital assets that are associated with and generally rise from governmental activities. They generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values on the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All capital assets except for land, assets held for resale and construction in progress are depreciated using the straight-line method over the following useful lives:

<u>Asset Description</u>	<u>Estimated Life</u>
Land Improvements	20 Years
Building and Improvements	20 – 50 Years
Furniture, Fixtures and Equipment	3 – 10 Years
Vehicles	5 – 10 Years
Infrastructure	10 – 50 Years

The City's infrastructure consists of streets, curbs and gutters, sidewalks, storm drains, fire hydrants and street lighting. The City began reporting infrastructure in 2004. Only the amounts acquired from that point will be included in capital assets.

Compensated Absences

Vacation benefits and compensatory time are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means.

A liability for sick leave is accrued based on guidelines set forth in GASB Statement No. 16 "Accounting for Compensated Absences". The vesting method was implemented and states that the City will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments, determined to be all employees with twenty years of service or more. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's termination policy.

CITY OF SILVERTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

The entire compensated absence liability is reported on the government-wide financial statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. General obligation bonds, long term notes and loans and capital leases are recognized as liabilities on the governmental fund financial statements when due.

Reservations and Designation of Fund Balance

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure or the portion of fund balance that is legally segregated for a specific future use. Fund balance has been reserved for encumbrances, prepaids and inventory.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

CITY OF SILVERTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Budgets and Budgetary Accounting

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund level. More detailed appropriation allocations may be made by the Finance Director or City Manager as long as the allocations are within Council's appropriated amount.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts set forth in the financial statements represent estimates from the amended certificate in force at the time final appropriations were passed by Council.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

NOTE 3 – BUDGET TO GAAP RECONCILIATION

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

CITY OF SILVERTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances in and out are operating transactions (budget basis) as opposed to balance sheet transactions.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements:

Net change in fund balance - <i>GAAP Basis</i>	\$	169,356
Increase / (decrease):		
Due to revenues		33,423
Due to expenditures		15,624
Due to encumbrances		(15,850)
Net change in fund balance - <i>Budget Basis</i>	\$	<u>202,553</u>

NOTE 4 – DEPOSITS AND INVESTMENTS

The investment and deposit of City monies are governed by the Ohio Revised Code. Additionally, the City adopted an investment policy in 2006 which also governs investments. State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

CITY OF SILVERTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the City by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, and Federal Home Loan Mortgage Corporation. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations; and
6. The State Treasurer's investment pool (STAROhio).

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and,
3. Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

CITY OF SILVERTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments of the City or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year-end, the City had the following Investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>
Federal Home Loan Bank Bonds	\$698,908	Less than one year
Federal Home Loan Mortgage Corp. Bonds	499,930	One-three years
Total	<u>\$1,198,838</u>	

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$1,433,889 of the City's bank balance of \$1,554,797 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to losses involving amounts exceeding insured limits.

Interest Rate Risk

The City's investment policy states that the maximum maturity for any investment is limited to a final stated maturity of five years. This policy is in line with State statute that also requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk

The City's investment policy states that investment in corporate entities must have a debt rating of Aa or better by Standard & Poors' or Moody's rating service. The City's investments in US government agencies all have a rating of AAA by Standard & Poors'.

Concentration of Credit Risk

The City's investment policy does not place any limit on investments in any single issuer. Five percent or more of the City's investments are in the following:

<u>Investment Type</u>	<u>Percent</u>
Federal Home Loan Bank Bonds	58.3%
Federal Home Loan Mortgage Corp. Bonds	41.7%

CITY OF SILVERTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 5 – PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property (other than public utility) located in the City. Property tax revenue received during 2007 for real and public utility property taxes represents collections of 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) are for 2007 taxes.

2007 real property taxes are levied after October 1, 2006, on the assessed value as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes were collected in and financed 2008 operations.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2007 with real property taxes. 2007 tangible personal property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory.

The full tax rate for all City operations for the year ended December 31, 2007, was \$8.15 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>	<u>Percentage</u>
Real Estate	\$ 85,639,100	92.86%
Public Utility Property	3,568,300	3.87
Tangible Personal	<u>3,021,200</u>	<u>3.28%</u>
Total Assessed Value	\$ <u>92,228,600</u>	\$ <u>100.00%</u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Silverton. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2007, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2007 operations, and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

CITY OF SILVERTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 6 – RECEIVABLES

Receivables at December 31, 2007, consisted of municipal income tax, property and other taxes, accounts, and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered collectible in full and will be received within one year. A summary of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Homestead and Rollback	\$ 28,895
Personal Property Exemption	3,500
County Local Government	45,518
State Local Government	8,345
Gasoline Excise Tax	52,239
Gasoline Cents Per Gallon	26,700
Motor Vehicle License Tax	13,096
Permissive Tax	24,278
Hamilton County MRF Grant	<u>90,000</u>
Total Governmental Activities	<u>\$ 292,571</u>

NOTE 7 – INCOME TAX

The City levies a municipal income tax of 1.25% on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City. The City does not allow a credit for income taxes paid to another municipality. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. The proceeds were allocated to the General Fund.

CITY OF SILVERTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007, was as follows:

Governmental Activities:					
		Balance			Balance
		12/31/06	Additions	Deletions	12/31/07
<i>Capital assets not being depreciated:</i>					
Land	\$	405,926	-	-	405,926
Assets Held for Resale		95,150	-	-	95,150
Construction in Progress		539,542	366,431	(825,859)	80,114
Subtotal		1,040,618	366,431	(825,859)	581,190
<i>Capital assets being depreciated:</i>					
Land Improvements		40,600	-	-	40,600
Buildings and Improvements		256,730	-	-	256,730
Furniture, Fixtures and Equipment		222,568	51,885	-	274,453
Vehicles		426,809	23,993	-	450,802
Infrastructure		1,614,403	825,859	-	2,440,262
Subtotal		2,561,110	901,737	-	3,462,847
Totals at historical cost		3,601,728	1,268,168	(825,859)	4,044,037
Less accumulated depreciation:					
Land Improvements		36,435	490	-	36,925
Buildings and Improvements		191,696	2,696	-	194,392
Furniture, Fixtures and Equipment		83,747	27,147	-	110,894
Vehicles		289,454	30,153	-	319,607
Infrastructure		209,739	202,733	-	412,472
Total accumulated depreciation		811,071	263,219	-	1,074,290
Capital assets, net	\$	2,790,657	1,004,949	(825,859)	2,969,747

*Depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$	9,996
Leisure time activities		26,137
Public Health		3,264
Public Works		223,822
Total depreciation expense	\$	263,219

NOTE 9 – DEFINED BENEFIT PENSION PLANS

CITY OF SILVERTON, OHIO
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Both the Ohio Police and Firemen's Disability and Pension Fund and the Ohio Public Employees Retirement System are reported using GASB Statement No. 27 "Accounting for Pensions by State and Local Governmental Employers". Substantially all City employees are covered by one of the two cost-sharing multiple-employer defined benefit pension plans, namely, the Police and Firemen's Disability and Pension Fund or the Ohio Public Employees Retirement System of Ohio (OPERS). Both funds provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2007, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2007 was 13.85 percent, except for those plan members in law enforcement or public safety.

The City's required contributions to OPERS for the years ended December 31, 2007, 2006, 2005 were approximately \$86,000, \$79,000, and \$74,000, respectively; 91 percent has been contributed for 2007 and 100 percent for 2006 and 2005.

Ohio Police and Fire Pension Fund

CITY OF SILVERTON, OHIO
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The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 19.5 percent for police officers and 24 percent for firefighters. Contributions are authorized by State statute. The City's required contributions to the Fund for the years ended December 31, 2007, 2006, and 2005 were approximately \$118,000, \$118,000, and \$130,000, respectively. The full amount has been contributed for 2006 and 2005 and 71 percent has been contributed for 2007.

NOTE 10 – POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pension."* A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 the employer contribution allocated to the health care plan from January 1 through June 30, 2007 and July 1 through December 31, 2007 was 5.0% and 6.0% of covered payroll, respectively.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from one to six percent annually for the next eight years. In subsequent years (nine and beyond) health care costs were assumed to increase at four percent.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was approximately 375,000 and the number of active contributing participants used for both plans in the

CITY OF SILVERTON, OHIO
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December 31, 2006 actuarial valuation was 362,000. Actual employer contributions for 2007 which were used to fund postemployment benefits were \$34,000. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which will allow additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 45*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 6.75 percent of covered payroll was applied to the postemployment health care program during 2007. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2007 that were used to fund postemployment benefits were \$41,000 for police. The OP&F's total health care expense for the year ended December 31, 2006 (the latest information available) was \$120.4 million, which was net of member contributions of \$58.5 million. The number of OP&F participants eligible to receive health care benefits as of December 31, 2006, was approximately 14,000 for police.

NOTE 11 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City is a member of the Ohio Plan. The Ohio Plan was formed in 1988 to provide affordable, comprehensive property and liability coverage to public entities. The Ohio Plan is managed by the Board of Directors, which is composed of individual representatives from various Plan members. The administrators, Hylant Administrative Services, provide services from Toledo, Ohio.

Settled claims have not exceeded this commercial coverage in any of the last three years. There have been no significant reductions in coverage from last year.

CITY OF SILVERTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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For 2007, the City participated in a group purchasing pool. The intent of the Plan is to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all entities in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

NOTE 12 – CAPITALIZED LEASES – LESSEE DISCLOSURE

In a prior year, the City entered into capital leases for copiers. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reflected as program expenditures on a budgetary basis. Principal of \$4,272 was paid in 2007.

General capital assets consisting of equipment have been capitalized in the amount of \$22,073 which equals the present value of the future minimum lease payments at the time of acquisition.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2007.

Year Ending		
December 31		
2008	\$	4,272
2009		938
Total Future Minimum Lease Payments		5,210
Less: Amount Representing Interest		-
Present Value of Future Minimum		
Lease Payments	\$	5,210

NOTE 14 – LONG-TERM OBLIGATIONS

CITY OF SILVERTON, OHIO
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Changes in long-term obligations during 2007 were as follows:

					Amounts Due
	12/31/2006			12/31/2007	Within
Description	Balance	Issued	Retired	Balance	One Year
Various Purpose General					
Obligation Refunding Bonds	\$ 249,600	-	46,300	203,300	48,100
Vehicle Acquisition General					
Obligation Bonds (dumptruck)	52,389	-	52,389	-	-
Ohio Public Works Commission					
Loan - Fire Hydrants	184,890	-	10,876	174,014	10,876
Ohio Public Works Commission					
Loan - Stoll Lane	409,915	-	8,195	401,720	8,195
Ohio Public Works Commission					
Loan - E. Gatewood Lane	147,513	-	22,773	124,740	22,773
Ohio Public Works Commission					
Loan - Sampson Lane	256,966	-	12,849	244,117	12,848
Ohio Public Works Commission					
Loan - Plainfield Rd. South	222,753	284,819	12,689	494,883	25,379
Capital Lease Obligations	9,482	-	4,272	5,210	4,272
Compensated Absences	412,366	184,518	164,967	431,917	81,237
Total Governmental Activities	\$ 1,945,874	469,337	335,310	2,079,901	213,680

In 2003 the City issued Various Purpose General Obligation Refunding Bonds in the amount of \$379,100. The bonds were issued at an interest rate of 3.69% through 2011.

During 2007, the City retired the Vehicle Acquisition General Obligation Bonds in the amount of \$52,389.

In October 2001 the City entered into a project loan agreement with the Ohio Public Works Commission for fire hydrant replacements. The original loan amount was \$217,518, payable over 20 years, without interest. The City of Silverton is responsible for the OPWC fire hydrant loan payments; however, due to terms pertaining to the Joint Fire District, the City of Deer Park is reimbursing the City 70.61 percent of the loan payments.

In July 2002, the City entered into a project loan agreement with the Ohio Public Works Commission for the purpose of making improvements to Stoll Lane. The original loan amount is \$455,461, payable over 20 years without interest.

In December 2004 the City finalized a loan agreement with the Ohio Public Works Commission for \$163,903 in street upgrades to East Gatewood Lane which were completed in 2004.

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During 2006, improvements to Sampson Lane were completed. The City received \$256,966 from the Ohio Public Works Commission and will repay the loan over the next 20 years, without interest.

During 2006, improvements to Plainfield Road south began. As of December 31, 2006 the City had received \$222,753 from the Ohio Public Works Commission. During 2007 an additional \$284,819 was received for a total of \$507,572 for the project. All work was completed in 2007 and repayment of the loan began.

Compensated absences and capital lease obligations will be paid from the General Fund.

As of December 31, 2007, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$8,041,228 and the unvoted legal debt margin was \$3,429,798.

Principal and interest requirements to retire the City's outstanding obligations at December 31, 2007 were:

		<u>General Obligation Bonds</u>		<u>OWDA Loans</u>
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2008	\$	48,100	7,502	80,071
2009		49,900	5,727	80,071
2010		51,700	3,886	80,071
2011		53,600	1,978	80,071
2012		-	-	80,071
2013-2017		-	-	400,355
2018-2022		-	-	400,355
2023-2027		-	-	238,409
Total	\$	<u>203,300</u>	<u>19,093</u>	<u>1,439,474</u>

NOTE 15 – INTERFUND ACTIVITY

Transfers From/To Other Funds

The General Fund has transferred amounts for debt service payments, general operations and for construction projects. Certain funds of the City were closed out in 2007 and transferred to the General Fund.

		<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$	18,427	844,126
Nonmajor governmental funds		844,126	18,427
Total	\$	<u>862,553</u>	<u>862,553</u>

NOTE 16 – CONTINGENT LIABILITIES

Litigation

CITY OF SILVERTON, OHIO
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The City of Silverton is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The City management is of the opinion that the ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Federal and State Grants

For the period January 1, 2007, to December 31, 2007, the City received Federal and State grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 17 – SUBSEQUENT EVENTS

On March 20, 2008, City Council authorized the City Manager to enter into an option to purchase a building to be remodeled and used as the municipal building. The City plans on marketing the existing building for economic development in the downtown area. An estimate of the total cost is \$1,500,000 with debt being issued to complete the project.

The City was approved by the Ohio Public Works Commission for a zero-interest 20-year loan in the amount of \$216,000 for road repair to Belkenton Avenue. This project will begin in 2008.